
**Virginia State
SNAPSM
Non-Arbitrage Program**

INFORMATION STATEMENT

December 1, 2002

**DESCRIBING THE
COMMONWEALTH OF VIRGINIA
STATE NON-ARBITRAGE PROGRAM
901 East Byrd Street
Richmond, Virginia
For Information, call toll free:
800-570-SNAP**

**COMMONWEALTH OF VIRGINIA
STATE NON-ARBITRAGE PROGRAM**

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INFORMATION STATEMENT DATED DECEMBER 1, 2002

INTRODUCTION

This Information Statement contains information regarding the Commonwealth of Virginia State Non-Arbitrage Program ("SNAPSM" or the "Program") as of December 1, 2002.

The Program has been established pursuant to the Government Non-Arbitrage Investment Act (the "SNAPSM Act") to make available to the Commonwealth of Virginia (the "Commonwealth"); its counties, cities, towns ("Local Governments"); and agencies, institutions and authorities of the Commonwealth and Local Governments ("Authorities," and collectively with the Commonwealth and Local Governments, "Issuers") assistance with the investment of and accounting for bond proceeds and related funds in compliance with rebate requirements of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"). The Program includes the SNAPSM Fund (the "Fund"), a money market mutual fund registered under the Investment Company Act of 1940, as amended, and individual, professionally-managed investment accounts ("Individual Portfolios") and also provides record keeping, depository and arbitrage rebate calculation services (collectively, "Services"). The current prospectus of the Fund (the "Prospectus") is appended to this Information Statement. Both this Information Statement and the Prospectus are available online on the SNAPSM web page maintained by the Investment Manager at <http://www.vasnap.com>.

The sponsor of and professionals providing the Services of SNAPSM are the following:

Treasury Board -- The Treasury Board, an agency of the Commonwealth, is responsible for implementing the Program to provide assistance to Issuers, and for general oversight of the Investment Manager, Depository and Rebate Calculation Agent.

Investment Manager -- Evergreen Investment Management Company ("Evergreen"), (formerly Mentor Investment Advisors, LLC ("Mentor"), 901 East Byrd Street, Richmond, Virginia 23219, is the Investment Manager for the Program. Evergreen was selected by the Treasury Board to succeed itself as Investment Manager when its five-year term expired on April 30, 1999. Evergreen's current term as Investment Manager expires on April 30, 2004. Evergreen is also the Investment Adviser to the Fund. Evergreen is the corporate successor to Mentor Investment Advisors, LLC and Commonwealth Investment Counsel, Inc.

Depository -- Wachovia Bank, N.A. ("Wachovia"), 1021 East Cary Street, Richmond, Virginia 23219, is Depository for all Fund and Individual Portfolio cash. Wachovia is the corporate successor to Central Fidelity National Bank.

Custodian and Transfer Agent -- State Street Bank and Trust Company, 225 Franklin Street, Boston, MA 02110, is the Custodian for all Fund and Individual Portfolio investments and the Transfer Agent for the Shares of the Fund.

Rebate Calculation Agent -- Ernst & Young LLP, Suite 1500, 2121 San Jacinto Street, Dallas, Texas 75201, is the Program Rebate Calculation Agent.

Special Counsel -- Sidley Austin Brown & Wood LLP (formerly, Brown & Wood LLP), 787 Seventh Avenue, New York, New York 10019, is Special Counsel to the Treasury Board with respect to the Program. Sidley Austin Brown & Wood LLP also serves as Special Tax Counsel to the Fund.

For further information or assistance respecting the SNAPSM Program call toll free, 800-570-SNAP

(800-570-7627). **See the Prospectus for the Fund for information respecting the Fund, its investment objectives, its authorized expenses, Evergreen in its role as Investment Advisor to the Fund, Wachovia in its role as Depository and State Street in its role as Custodian and Transfer Agent for the Fund.**

THIS INFORMATION STATEMENT PROVIDES DETAILED INFORMATION ABOUT THE PROGRAM. PLEASE READ IT CAREFULLY, AND RETAIN IT FOR FUTURE REFERENCE.

PURPOSE

The Program has been established by the Treasury Board of the Commonwealth of Virginia pursuant to the SNAPSM Act (Chapter 47, Title 2.2, Code of Virginia 1950, as amended) to provide comprehensive investment management, accounting and arbitrage rebate calculation services for proceeds of tax-exempt financings of Virginia Issuers. The Program currently provides a short-term investment Fund as a means for Issuers to invest these proceeds. Issuers that invest in the Fund ("Participants") purchase units of beneficial interest in the Fund (the "Shares").

Arbitrage Rebate Compliance -- The Program is designed to assist Participants in complying with certain arbitrage rebate requirements of the Internal Revenue Code. Investments are purchased and investment documentation is maintained in accordance with requirements of the Internal Revenue Code, and rebate calculations are prepared for all Participants by the Rebate Calculation Agent in a manner and at such times as to enable Participants to comply with these requirements. The Program is also designed to assist Participants in determining whether they have satisfied the expenditure test for any available exceptions to the arbitrage rebate requirements, and to provide calculations of penalties due in lieu of rebate payments.

Through an investment in SNAPSM, Issuers obtain the following benefits:

Preservation of Principal--The Fund invests only in high grade instruments. Issuers are generally authorized by statute to invest their bond proceeds in a registered open-end investment fund, provided the fund is restricted to investments otherwise permitted by the Virginia Investment of Public Funds Act. The Fund is such a fund and follows investment policies designed to preserve capital.

Liquidity--Participants may withdraw funds at any time to pay for the costs of capital projects for which their bonds were issued.

Income--The Fund seeks to earn as high a rate of current income as Evergreen believes is consistent with preserving principal and maintaining liquidity. (See "Evergreen SNAPSM Fund" in the Prospectus.)

Convenience--Participants do not have to schedule investment maturities to meet project draw schedules and can requisition funds for same day transactions by Noon Eastern time each business day.

Professional Management--Fund investments are managed by an investment professional that follows both general economic and current market conditions affecting interest rates.

Diversification--Each Participant with Shares in the Fund will have an investment in a diversified portfolio of high quality instruments.

Accounting, Safekeeping and Separate Accounts--SNAPSM provides a system that accounts for each Participant's investments in a manner compatible with governmental accounting and auditing requirements, and does all of the bookkeeping and safekeeping associated with the ownership of securities.

DIVIDENDS

The Fund's net income is calculated daily and dividends are declared daily. Each month dividends are re-invested in Shares of the Fund. (See "Fund Distributions" in the Prospectus.)

HOW TO OPEN AN ACCOUNT

To participate in the Program, an Issuer must adopt a resolution and submit it to the Investment Manager along with a Program Registration Form. Thereafter, an Account Registration Form must be completed and submitted prior to investing any funds. Investments are made by wire transfer to Wachovia. Participants that wish to invest by check may request an exception to this procedure from the Investment Manager. (See "Procedures for Participating in the Program" and "How to Invest.")

WITHDRAWALS

Funds may be withdrawn from the Fund by wire transfer by calling the Investment Manager to initiate a requisition. Upon request, the Investment Manager will provide each Participant with checks which the Participant may make payable to any payee. When a check is presented to the Depository for payment, Shares in the Fund will be redeemed automatically in the amount necessary to cover the check. (See "How to Withdraw" herein and "How to Redeem Shares" in the Prospectus.)

COST

SNAPSM has entered into arrangements for investment management, legal, accounting, audit, depository and other administrative services. The Fund pays all of its own expenses associated with such services and other reasonable operating costs which are accrued daily as a deduction from income. Certain Program costs, including the fees of the Rebate Calculation Agent and all costs associated with Individual Portfolios, must be paid by the individual Participant. (See "Expenses of the Program" and "Treasury Board" herein and "Fees and Expenses of the Fund" in the Prospectus.)

BOND PROCEEDS AND RELATED FUNDS ONLY

The Program is designed to invest exclusively the proceeds of tax-exempt borrowings by Issuers and related reserve and other funds, where any portion of the investment earnings thereon is, or may be, subject to rebate to the United States. The Investment Manager will not accept for investment in the Program other funds of Issuers.

The Program is not affiliated with the Virginia Local Government Investment Pool, which accepts operating and other funds for investment and is operated by the Department of the Treasury.

INVESTMENT OBJECTIVE AND POLICIES

The Fund's investment objective and policies are described under "Evergreen SNAPSM Fund" in the Prospectus. (See "Treasury Board" herein.)

The Investment Manager will follow certain procedures to document that investments are purchased at a "market price" in accordance with requirements of the Internal Revenue Code and related rulings and regulations. These procedures may include obtaining three bids or offers for all securities transactions on the secondary market and documenting transaction prices using independent pricing services.

PROCEDURES FOR PARTICIPATING IN THE PROGRAM

Participation in the Program requires the authorization of the governing body of each Virginia Issuer, by either a resolution of the governing body of the Issuer or a certificate of an authorized official of the Issuer and accompanying opinion of counsel. A model Resolution is included as Attachment A-1 to this Information Statement, and similar language may be included in a resolution authorizing issuance of tax-exempt bonds. A model Certificate of Authorization and opinion of counsel is included as Attachment A-2. These forms are also available on the SNAPSM Program web page maintained by the Investment Manager at <http://www.vasnap.com>.

Procedures may be slightly different in charter Local Governments, which should check their individual charters, and Authorities, which should check their enabling legislation and bylaws.

A Participant that wishes to invest revenue bond proceeds and related funds in the Program should determine that the terms of the trust indenture or bond resolution governing the bonds authorize participation in the Program.

Once these actions have been taken, prospective Participants must complete the appropriate Program Registration Form attached as Attachment B to this Information Statement and forward it along with a copy of the resolution to:

State Non-Arbitrage Program (SNAPSM)
c/o Evergreen Investment Management Company LLC
901 East Byrd Street
Richmond, VA 23219

Instructions by the Issuer on the Program Registration Form will remain in effect until the Investment Manager receives written notification to change them. Any changes to addresses, account registrations, names or signatures of authorized officials, or other critical information will require appropriate documentation. Instructions or forms may be obtained by calling the Investment Manager at 800-570-SNAP.

HOW TO INVEST

Before funds are invested under terms of the Program, Participants must contact the Investment Manager to open appropriate accounts and must complete an Account Registration Form for each account prior to the bond closing date, in the form attached as Attachment C. The Investment Manager will also request a schedule of expected withdrawals that will be used in managing the Fund investments to help assure adequate overall liquidity.

The Investment Manager also maintains a web page for the SNAPSM Program at <http://www.vasnap.com> which includes the Account Registration Form and forms for requisitions and for the designation of authorized representatives of the Participant.

Once an account has been opened, it is a Program requirement that the Participant deposit its bond proceeds with Wachovia by wire transfer. A Federal Reserve bank wire permits the investment of funds in Shares in the Fund or in an Individual Portfolio immediately upon receipt by Wachovia. It is strongly recommended that the entire amount of bond proceeds be invested in this manner on the day it is first received by the Participant to establish a clear audit trail of the investment of all bond proceeds for rebate calculation purposes.

To make an investment, a Participant must follow the following steps:

Step 1: Complete Account Registration Form, (Attachment C), and forward to Investment Manager at least one week prior to date of investment.

Step 2: Notify the Investment Manager at 800-570-SNAP of the following information:

Participant's Account Name	Amount being wired
Participant's Account Number	Type of wire--Federal Reserve or bank
Name of bank sending wire	

Step 3: Instruct your bank to wire funds (Federal Reserve wire if possible) to:

Wachovia Bank, N.A.
Richmond, Virginia
ABA #051000253
Virginia State Non-Arbitrage Program
Account Number 7911370918

Important--Participants must call the Investment Manager before Noon Eastern time, and a Federal Reserve wire must be received that day by Wachovia if the investment is to begin earning income that day. To assure the timely investment of funds, Participants should try to arrange for the wire to be received by Wachovia by Noon Eastern time.

The Program does not charge a fee for receipt of bank wires; however, a Participant's bank may charge a fee for wiring funds.

Participants may request an exception to this wire transfer procedure from the Investment Manager, but exceptions could result in delays in investing funds under the Program, and for rebate calculation purposes may limit the Rebate Calculation Agent's ability to track the investment of all bond proceeds through a single account from the time of actual settlement on the bond issue.

Program Business Days. The Investment Manager will process investments and withdrawals only on a day that the New York Stock Exchange is open for business ("Program Business Day").

The Investment Manager can provide instructions on how to invest by check. Checks will be deposited when received by Wachovia and proceeds will be invested when they are converted to Federal Funds. This procedure may take two or more business days.

The Program will accept funds that previously have been deposited or invested outside of the Program subject to the preparation of a Rebate Calculation Report. The Investment Manager will provide instructions and assistance in arranging for preparation of this report.

Unless all proceeds from a particular bond issue are invested in the Program immediately upon receipt by the Participant, and unless the recommended redemption procedures are followed, the Rebate Calculation Agent may require additional information from the Participant, may not be able to complete a Rebate Calculation Report, or may have to qualify the advice provided in the Rebate Calculation Report.

Evergreen reserves the right to reject any investment in the Fund and to limit the size of a Participant's account in the Fund.

HOW TO WITHDRAW

A Participant may withdraw funds from any of its accounts in the Fund to pay for the costs of capital projects by initiating a requisition for a wire transfer or writing a check payable to a third party, see "How to redeem shares" in the Prospectus.

Upon request, Evergreen will provide each Participant for each Fund account with a supply of checks imprinted with the Participant's name. If a Participant makes a check payable to itself, it should retain documentation that the payment is to reimburse itself for funds previously expended. The Proceeds Agreements for bonds issued through the Virginia Public School Authority require that Participants file a requisition with the Investment Manager prior to writing a check to reimburse for funds previously expended. Such requisition must provide evidence that Issuer's funds have been expended and that a reimbursement is due. The form of the requisition is available online from the web page maintained by the Investment Manager at <http://www.vasnap.com>.

It is recommended that checks payable to the Participant and wire transfers to the Participant's own account be used only to reimburse the Participant for project costs already paid, so that the Participant can maintain a clear audit trail of the expenditure of funds for rebate calculation purposes. In the case of wire transfers, such transfers will be made for purposes other than reimbursement only if approved by the Investment Manager.

Rebate Calculations Upon Withdrawal. The Investment Manager will track withdrawals and will notify the Participant when cumulative withdrawals from an account total the amount of original bond proceeds deposited in that account. At the request of the Participant, the Investment Manager will provide, an estimate of the Participant's rebate obligation, if any, with respect to the account unless the Participant indicated on its Account Registration Form that it had elected to pay a penalty in lieu of rebate. The Participant may then draw down the difference between the amount remaining in the account and the estimated rebate amount. If the Participant has indicated on its Account Registration Form that it qualifies for the Small Issuer Exception (see "Tax Matters"), or if the Participant informs the Investment Manager that it must withdraw the full amount from its account in order to satisfy one of the Expenditure Exceptions (as more fully described below) to the Rebate Requirement, the Participant may withdraw the full amount remaining in its account.

Prior to each Installment Computation Date (generally every five years and upon final payment), as defined in the applicable U.S. Treasury regulations, the Investment Manager will provide copies of all investment records to the Rebate Calculation Agent for use in completing the Rebate Calculation Report.

Upon completion of the Rebate Calculation Report, the Rebate Calculation Agent will provide the Participant and the Investment Manager with copies of the Rebate Calculation Report. The Participant will be able to withdraw any balance in the account which exceeds the rebate amount, as long as the withdrawal is made within 60 days of the Rebate Calculation Report date. The Investment Manager will coordinate preparation of a final Rebate Calculation Report and disbursement of the remaining allowable earnings.

Amounts set aside to meet rebate liabilities may be subject to investment yield restriction, and, upon request, the Investment Manager will assist a Participant in complying with this requirement.

A Participant could be liable for rebate payments in addition to the amount identified in the Rebate Calculation Report if, among other things, the date of the Rebate Calculation Report does not correspond with an Installment Computation Date, if payment of the amount is not made within 60 days of the Installment Computation Date, or if some future action by the Participant changes the yield of the related tax-exempt obligations.

The Program reserves certain amounts from withdrawal, offers rebate estimates and a Rebate Calculation Report, and requires withdrawals within a certain time frame as described above in order to track all earnings accurately and to assist the Participant in fulfilling its rebate obligation. Participants may request an exception from these rules, but such an exception may result in the Participant having to fulfill its rebate obligation from other sources, and may make it impossible for the Rebate Calculation Agent to prepare an unqualified Rebate Calculation Report.

Rebate calculations prepared by the Program's Rebate Calculation Agent will use records maintained by the Investment Manager to determine the date funds are disbursed ("Disbursement Date"). The Disbursement Date will be the date on which a Program check is presented for payment to Wachovia or the date on which funds are wired out of a Participant's Program account. In situations where a Program Participant has disbursed other funds for the governmental purpose of the bond issue and subsequently requests reimbursement from the Program, the Disbursement Date may not be the same date that the Participant disbursed other funds. **Because the Disbursement Date is used to calculate rebate liability, a delay in reimbursement may increase a Participant's rebate liability.** Therefore, Participants are encouraged to request reimbursement from the Program in a timely manner.

Withdrawal only to Meet Project Costs. Participants are requested not to withdraw funds from the Program for the sole purpose of re-investing them at a higher yield.

Safeguards on Withdrawals. Proceeds of redemptions will be sent only to the Participant's account specified on the appropriate Account Registration Form.

Instructions on the Account Registration Forms will remain in effect until the Investment Manager receives written notification to change them. Thus any changes to addresses, account registrations, or names or signatures of authorized officials, or other critical information will require appropriate documentation. Instructions and forms may be obtained by calling the Investment Manager, toll free, at 800-570-SNAP.

GENERAL POLICIES CONCERNING ARBITRAGE REBATE

The Program follows certain practices to assure that there is a clear audit trail for purposes of complying with the Internal Revenue Code regulations concerning rebate. These procedures include the following:

- (1) Participants should invest all bond proceeds subject to arbitrage rebate in the Program on the same day as they are received by the Participant. This will enable the Program to track the investment and expenditure of these funds.
- (2) A Participant should identify all bond proceeds subject to the same bond yield at the time of initial investment. A separate account should be established for each fund or group of funds subject to the same bond yield, by completing an Account Registration Form provided by the Investment Manager. The Investment Manager will also provide advice on the number and type of accounts that will be needed to provide a clear audit trail.
- (3) Federal tax law requires issuers of tax-exempt obligations to make certain rebate payments to the Federal government unless they meet one of the exceptions to rebate (see "Tax Matters" for a general description of the "Six-Month Exception", "TRANS Exception", "Construction Exception", and "Eighteen-Month Exception", collectively referred to as the "Expenditure Exceptions", and the "Small Issuer Exception"). Each Participant should consult with its bond counsel to determine whether its bond issue may qualify under one of the exceptions to the Rebate Requirement. If the Participant expects to meet one of the Expenditure Exceptions, it must so indicate on its Account Registration Form when making its initial investment so the Investment Manager can provide information regarding the expenditure of bond proceeds.
- (4) Participants may need to account for their rebate liability on an annual basis for financial reporting purposes. Based on an annual performance report, comparing the investment results for each of the Participant's issues with the arbitrage yield of such issues, the Investment Manager will assist the Participant to estimate its potential rebate liabilities for financial reporting purposes.
- (5) If the Participant expects to make rebate payments, it should note that Federal tax law requires issuers of tax-exempt obligations to meet certain rebate payment requirements at least every five years and the final maturity date of the bond issue. The Rebate Calculation Agent will provide a Rebate Calculation Report more frequently than every five years if requested. There will be a separate charge for each Rebate Calculation Report. (See "Expenses of the Program.")
- (6) If, in connection with the Construction Exception, the Participant has elected to pay a penalty in lieu of making rebate payments, it should so indicate on its Account Registration Form when making its initial investment.
- (7) Unless a Participant qualifies for one of the Exceptions to Rebate described in "Tax Matters", it is recommended that Participants not draw down the entire amount of bond proceeds and investment income before providing for any rebate requirement or penalty payment.

REBATE EXCEPTION SERVICES

Upon initial investment, Participants should indicate to the Investment Manager on the SNAPSM Account Registration Form whether they expect to qualify for one of the Expenditure Exceptions to the Rebate Requirement, or whether they have elected to pay a penalty in lieu of rebate. Approximately 30 days before any expenditure test date contained in the Internal Revenue Code or Rebate Regulations that is related to an Expenditure Exception from the Rebate Requirement (other than the exception with respect to TRANS,

as discussed below), the Investment Manager will provide a worksheet to each such Participant that compares the cumulative percentage of proceeds and earnings withdrawn to the expenditure requirements of any Expenditure Exception contained in the Internal Revenue Code or Rebate Regulations to assist the Participant in determining its eligibility for such exception. Except as provided below with respect to the TRANS Exception, within 30 days after any expenditure test date, the Investment Manager will inform any such Participant that appears not to have spent the required cumulative percentage for such expenditure test date of the amount of the indicated deficiency. Based on such information, the Investment Manager may recommend that the Participant obtain a Rebate Calculation Report and if the Participant has elected to pay a penalty in lieu of rebate, the Investment Manager will require that the Participant obtain a Penalty Calculation Report from the Rebate Calculation Agent. Notwithstanding the fact that the worksheet may show that a Participant has spent the amounts required on any given expenditure test date to comply with an Expenditure Exception, a Participant may request from the Rebate Calculation Agent a report showing its compliance with the Expenditure Exception to rebate (the "Rebate Exceptions Compliance Report"). (See "Rebate Compliance Services" and "Tax Matters"). The Investment Manager does not provide a formal tax opinion as it relates to rebate exception calculations. As more fully set forth below in "TRANS Exception" under "Tax Matters", tax and revenue anticipation notes ("TRANS") will not be subject to the Rebate Requirement if they meet one of two Expenditure Exceptions.

The eligibility of TRANS for a rebate exception involves complicated questions regarding a Participant's accounting methods beyond the knowledge of the Investment Manager. Consequently, any Participant investing the proceeds of its TRANS issue in the Fund should consult with its bond counsel as to eligibility of the issue for a rebate exception.

REBATE COMPLIANCE SERVICES

The Rebate Calculation Agent will provide each Participant with a report (the "Rebate Calculation Report") that summarizes its calculations of:

- [] The allowable investment yield;
- [] All Program investment activities;
- [] A calculation of the rebate liability using the methodology prescribed by the applicable Treasury regulations.

When an account is opened, the Investment Manager will request certain information from a Participant, including the issue date for the related bonds to identify expenditure test dates and to permit scheduling of the Rebate Calculation Report. The Rebate Calculation Agent and Investment Manager will require certain additional information from a Participant, including copies of the official statement, non-arbitrage certificate, bond resolution and similar documents, before the first expenditure test date or before a Rebate Calculation Report can be prepared.

Normally, the Rebate Calculation Report will be completed and furnished to the Participant for each bond issue no later than 30 days after the Installment Computation Date provided that the Participant has authorized its preparation and provided the necessary information to the Investment Manager, but a Participant may request that a Rebate Calculation Report be completed at more frequent intervals by the Rebate Calculation Agent.

If a Participant has elected to pay a penalty in lieu of rebate in connection with the Construction Exception (see "Tax Matters - *Construction Exception*"), the Investment Manager may recommend, and where its records indicate that such Participant has failed to spend the required cumulative percentage for such expenditure test date will require, that the Participant obtain a Penalty Calculation Report from the Rebate Calculation Agent. Penalty payments are due to the Internal Revenue Service no later than 90 days after the expenditure test date so that timely cooperation by the Participant is necessary when a Participant has elected penalty in lieu of rebate and the Participant has not, or may not have, complied with the relevant expenditure test.

To enable Participants to estimate rebate liabilities for financial reporting purposes, the Investment Manager will provide each Participant, on request, an annual performance worksheet that will assist the Participant to estimate the cumulative rebate liability, if any, at fiscal year end. Participants desiring a full Rebate Calculation Report at fiscal year end may obtain one from the Rebate Calculation Agent.

For bonds issued prior to the inception of the Program or invested outside of the Program, with the opening of an account the Investment Manager will require a Rebate Calculation Report from the date of bond issuance to the date of investment in the Program. Due to the uncertainties of elapsed time from the issuance of the bonds, types of investments, volume and type of transactions, number of funds, condition and availability of records, the Rebate Calculation Agent cannot provide a general fee for this first Rebate Calculation Report. However, at the request of the Participant the Rebate Calculation Agent will provide an estimated cost for preparing this Rebate Calculation Report, based on the Participant's specific circumstances.

(See "Expenses of the Program" herein for the fee of the Rebate Calculation Agent.)

SERVICES TO PARTICIPANTS

Statements. Confirmations of each investment and each withdrawal of funds will be mailed to Participants within two days of the transaction. By 10th day of the following month, a statement of each account will be provided to each Participant which will show the dividends paid and the account balance as of the statement date. The statement will also show total income earned since the inception of the account. Any checks that the Participant has written against its Fund account(s) and that have been paid by the Fund during the month will be included in a separate statement from the Depository detailing the activity.

Information Services. Toll free telephone service (1-800-570-SNAP or 7627) is available to Issuers to obtain information including up-to-date account information and a transaction history, and to receive instructions for the investment of bond proceeds or withdrawal of funds. Participants may also receive up-to-date account information and transaction history for the previous 60 days through the SNAPSM website (www.vasnap.com).

Technical Assistance. Technical and operational assistance is available through the same toll free number to Issuers who are considering the Program for investment purposes.

Estimated Earnings, Projected Draws. Upon request, the Investment Manager will provide estimates of future earnings for Participants based on the projected draw down schedule provided by the Participant. The Investment Manager may request estimates of project draw down schedules from Participants from time to time to facilitate efficient investment of their funds.

DAILY INCOME, DIVIDENDS, SHARE VALUATION AND YIELD

For information relating to the daily income, dividends, the valuation of Shares and yield information, reference should be made to the Fund Prospectus, which is appended to this Information Statement.

INDIVIDUAL PORTFOLIOS

The Program provides Participants with the option of investing all or a portion of their proceeds in one or more fixed rate investments held in Individual Portfolios outside of the Fund. Securities in Individual Portfolios will be purchased by the Investment Manager upon receipt of specific instructions from the Participant, and will be coordinated with the Participant's Fund accounts. Generally, investments in Individual Portfolios will have remaining maturities of not less than 12 months and not more than 60 months. Each Individual Portfolio will be held by the Custodian in a separate account in the Participant's name. Earnings and proceeds from the maturity or sale of any investment in an Individual Portfolio will be deposited automatically into the Participant's pre-designated Fund account.

Individual Portfolios are designed to complement investment in the Fund by providing a fixed rate of interest on a portion of bond proceeds. They may be appropriate for Participants with relatively lengthy project draw down schedules or with debt service reserve funds or for the investment of certain funds related to a bond issue that are subject to yield restrictions. The Investment Manager is prepared to assist each Participant in evaluating the possible use of an Individual Portfolio. For further information, contact the Investment Manager, toll free, at 800-570-SNAP, (7627).

All costs associated with any Individual Portfolio will be charged separately to each Participant. (See "Expenses of the Program" herein.) Participants should consult their bond counsel or other tax advisors as to the impact of such costs on the calculation of the yield from the investments in such Individual Portfolios.

TREASURY BOARD

The Treasury Board, an agency of the Commonwealth of Virginia, with offices at 101 North 14th Street, Richmond, Virginia, is the Program's Sponsor. The Treasury Board is responsible for providing broad oversight and policy guidance to the Program. All activities and actions taken or authorized to be taken by the Treasury Board or State Treasurer on behalf of the Treasury Board are designed to ensure the Program is administered in a prudent and proper manner.

The Treasury Board is responsible for implementing the Program and providing general supervision of the Investment Manager, Rebate Calculation Agent, Depository and Custodian. The Treasury Board may promulgate rules and regulations necessary and proper for the efficient administration of the Program, and may formulate policies for the investment and reinvestment of funds under management. The Treasury Board may delegate administrative aspects of the Program to the State Treasurer, subject to guidelines issued by the Treasury Board.

The Treasury Board may make changes to investment objectives, policies and restrictions in order to comply with changes in law relating to investment of funds by Issuers or changes in the Internal Revenue Code or any other related rules or regulations affecting arbitrage rebate.

Although legal control of the Fund does not rest with the Treasury Board, under the Contract the Participants have granted Treasury Board the power and right to redeem all or any of their Shares in the Fund and thereby withdraw their investment in the Fund at any time that Treasury Board deems it in their best interest to do so. Treasury Board has resolved that in the event that the Fund does not conduct itself in a manner consistent with the terms and provisions of the Program as described in the Prospectus and this Information Statement, including adherence to the fundamental investment objective and policies set forth in the Prospectus, Treasury Board will redeem all the Shares of all the Participants.

INVESTMENT MANAGER

Evergreen Investment Management Company LLC is the Investment Manager of the SNAPSM Program.

Evergreen manages the investment of the assets of the Fund (in its capacity of Investment Advisor to the Fund) and the Individual Portfolios (in its capacity of Investment Manager of the Program), including the placement of orders for the purchase and sale of investments. Evergreen obtains and evaluates such information and advice relating to the economy and the securities market as it considers necessary or useful to manage continuously the assets of the Fund and Individual Portfolios in a manner consistent with its investment objectives and policies.

Investment Transactions-- Evergreen is responsible for decisions to buy and sell securities for the Program, and arranges for the execution of security transactions on behalf of the Fund and Individual Portfolios. Purchases of securities are made from dealers, underwriters and issuers; sales prior to maturity are made to dealers and other persons. Money market instruments bought from dealers are generally traded on a "net" basis with dealers acting as principal for their own accounts without a stated commission, although the price of the security usually includes a profit to the dealer. Thus, the Fund will not normally incur any brokerage commission expense on such transactions, and the Program paid no such commissions in 2001 and had paid none in 2002 as November 1, 2002. Securities purchased in underwritten offerings include a fixed amount of compensation to the underwriter, generally referred to as the underwriter's commission or discount. When securities are purchased or sold directly from or to an issuer, no commissions or discounts are paid.

The policy of the Program regarding purchases and sales of securities for Individual Portfolios is that primary consideration will be given to obtaining the most favorable price and efficient execution of transactions. In seeking to implement this policy, the Investment Manager will effect transactions with those dealers whom the Investment Manager believes provide the most favorable price and efficient execution. If the Investment Manager believes such price and execution can be obtained from more than one dealer, it may give consideration to placing portfolio transactions with those dealers who also furnish research and other services to the Program. Such services may include, but are not limited to, any one or more of the following: information as to the availability of securities for purchase or sale; statistical or factual information or opinions pertaining to investments; wire services; and appraisals or evaluations of portfolio securities. The services received by the Investment Manager from dealers may be of benefit to it in the management of accounts of some or all of its other clients and may not in all cases benefit the Program directly. While such services are useful and important in supplementing its own research and facilities, the Investment Manager believes the value of such services is not determinable and does not significantly reduce its expenses. The Program does not reduce the management fee paid to the Investment Manager by any amount that may be attributable to the value of such services.

The Investment Manager also provides the following services to the Program:

Participant Service--Operation of a toll free telephone facility to be used exclusively by Participants or by Issuers interested in becoming Participants in the Program. Maintenance of the SNAPSM Program web page at <http://www.vasnap.com>.

Administration--Maintenance of the books of SNAPSM; supervision, under the general direction of the State Treasurer, of all administrative aspects of operations; periodic updating and preparation of the Program's Information Statement; supervision and coordination of the activities of the Custodian and the Depository for the assets of the Program; and the provision of office space, equipment, and personnel to administer the Program. The Investment Manager arranges and pays for costs of printing and distributing the Program's Information Statement to Issuers, prepares and distributes other explanatory and promotional materials, and provides technical assistance and guidance to Issuers considering use of the Program as an investment vehicle, and its personnel make visits to Issuers to present the facts about the Program and to explain its use, advantages and benefits.

Participant Account Reports--Preparation and provision to Participants of confirmation of each Participant Investment and redemption transaction, and of monthly and annual statements summarizing transactions, earnings, and assets of each Participant account; provision of transaction and earnings statements to the Rebate Calculation Agent.

DEPOSITORY

Wachovia Bank, N.A., Richmond, Virginia, is Depository for the Program. Wachovia holds all cash, in its capacity as Depository of the Fund and the Individual Portfolios, and also acts as check clearing and disbursing agent for the Program. Wachovia does not participate in determining the investment policies of the Program or in investment decisions. State Street Bank and Trust Company holds all securities in its capacity as Custodian of the Fund and the Individual Portfolios. The Program may invest in Wachovia's and State Street's obligations and may buy or sell securities through Wachovia or State Street.

CUSTODIAN AND TRANSFER AGENT

State Street Bank and Trust Company, 225 Franklin Street, Boston, MA 02110, is the Custodian for all Fund and Individual Portfolio investments and the Transfer Agent for the Shares of the Fund.

REBATE CALCULATION AGENT

Ernst & Young LLP, a firm of independent certified public accountants, offers rebate compliance services to Participants in the Program. These services are designed to assist Issuers in complying with the arbitrage rebate requirements of the Internal Revenue Code and related rulings, regulations and procedures. The Rebate Calculation Agent will rely on information compiled by the Investment Manager.

Fees for rebate compliance services will be billed to the Participant. (See "Expenses of the Program.")

SPECIAL COUNSEL

Sidley Austin Brown & Wood LLP, New York, New York, is Special Counsel to the Treasury Board in connection with the Program.

EXPENSES OF THE PROGRAM

Fees and expenses of the Fund are described in the Prospectus.

For services provided for Individual Portfolios by the Investment Manager, each Participant will be billed a fee, in monthly installments, based on the annual rate of 0.08% of the value of the assets in the Individual Portfolio. The Investment Manager has agreed to waive a portion of its management fee payable by the Fund in an amount equal to 0.01% of the average net assets of all of the Individual Portfolios. The compensation of the Depository for its services in conjunction with Individual Portfolios is as set forth in the Depository Agreement between the Treasury Board and the Depository.

Fees of the Rebate Calculation Agent will be billed to the Participant. Effective January 1, 2003, the fee for the Rebate Calculation Report prepared for each bond issue as of its Installment Computation Date (generally every five years) and assistance in the preparation of any necessary return to be filed with the Internal Revenue Service will be in accordance with the following table:

<u>Years of Investment Activity</u>	<u>Fees effective January 1, 2003</u>	<u>Fees Prior to January 1, 2003</u>
1	\$ 900	\$1,785
2	1,400	2,375
3	1,900	2,970
4	2,400	3,270
5	2,900	3,565

The Rebate Regulations provide that the amount of the Rebate Requirement will be reduced by a computation credit at the time the Rebate Requirement is computed.

Effective January 1, 2003, the fee for a Rebate Exceptions Compliance Report or a Penalty Calculation Report provided by the Rebate Calculation Agent and assistance in preparation of the necessary return to be filed with the Internal Revenue Service is \$600¹ for each 6-month testing period.

The Rebate Calculation Agent will, upon request, provide a Yield Restriction Report for a bond issue with unexpected proceeds after the three (3) year temporary period. For typical SNAPSM issues having just a principal and income account and no individual investments, the fee to compute the yield reduction payment will not exceed \$750 assuming that the Rebate Calculation Agent is also preparing a rebate calculation simultaneously with a yield restriction calculation. Instances where a rebate calculation is not being performed will be addressed on a case by case basis. For issues with more than two (2) accounts or with individual investments, the Rebate Calculation Agent will provide a fee estimate and proceed only with approval of the participant.

¹ Currently \$525

Effective January 1, 2003, there will be an incremental fee of \$250 for transferred proceeds when present in a rebate calculation report.

Effective January 1, 2003, special pricing of rebate calculations is available to participants in pooled financings that are treated as a single pooled issue for tax purposes. The fee structure for participants is provided as a sliding scale based on years of investment activity.

<u>Years of Investment Activity</u>	<u>Separate Reports Issued For Each Participant</u>	<u>Single Report Issued For Entire Issue</u>
1	\$ 900	500
2	1,350	750
3	1,500	1,000
4	1,750	1,250
5	2,000	1,500

The issuing authority will make the decision for each bond issued as to whether separation or single reports will be required.

An additional fee of up to \$1,000 may be applied to a calculation that invests proceeds of an issue in investments that are not maintained in SNAP's Phoenix system. There may also be a special charge for a Rebate Calculation Report for bond proceeds that were first invested outside the Program. (See "General Policies Concerning Arbitrage Rebate").

The Rebate Calculation Agent is available to provide assistance/consultation to SNAPSM participants as it relates to arbitrage rebate compliance. To the extent requests for services entail research and additional analysis, the Rebate Calculation Agent will provide an estimate of such costs in advance to the participant and only proceed with proper approval. Effective January 1, 2003, an hourly rate of \$150 will be charged for services provided.

Fees of the Rebate Calculation Agent will be subject to increase to reflect inflation as measured by the Consumer Price Index.

Effective December 1, 2002, there will be assessed against the Fund by the Treasury Board for its oversight of the Program an annual fee of \$50,000 that shall accrue daily retroactive to July 1, 2002, be payable quarterly and be subject to change not more than once each fiscal year.

TAX MATTERS

Exclusion from Income and Reporting Requirement. Section 115(1) of the Internal Revenue Code provides that gross income does not include income that is derived from the exercise of any essential government function and accrues to a State or any political subdivision thereof. The investment of the proceeds of a bond issue in order to receive some yield until such proceeds are spent on the governmental purpose of the bond issue should constitute the exercise of an essential governmental function for purposes of Section 115(1) of the Internal Revenue Code. The Participants have an unrestricted right to receive in their own right (a) their proportionate share of the Fund's income as it is earned, based on their ownership of the Units; and (b) the income of the investments held in the Individual Portfolios under the provisions of the Program. Consequently, both the Fund's income and the income from the Individual Portfolios accrue to the Participants within the meaning of Section 115(1) of the Internal Revenue Code.

Based on the foregoing, the income of the Fund and of Individual Portfolios derived from the investment of the proceeds of its bond issues is excludable from the gross income of the Participants. Participants do not need to file federal income tax returns with respect to income derived from the Program.

Rebate Regulations. On June 18, 1993, the United States Treasury issued final regulations relating to the Rebate Requirement (as amended to the date hereof, the "Regulations"). The Regulations set forth allocation and accounting rules in Section 1.148-6 (the "Allocation and Accounting Rules") that must be followed for purposes of the general arbitrage requirements of Section 148 of the Internal Revenue Code as well as the Rebate Requirement. The Regulations apply generally to bonds issued after June 30, 1993. The following discusses generally the application of the Regulations to the Rebate Requirement of the bond issues of the Participants. Participants that will be investing proceeds of bonds not subject to the Regulations (e.g., bonds issued prior to July 1, 1993 for which the Participant has not elected to apply the Regulations) in the Fund should consult with their bond counsel to determine the appropriate treatment of an investment of such proceeds in the Fund for purposes of satisfying the Rebate Requirement with respect to such bonds.

Suitability of Investment in Program. The Program has been established by the Treasury Board to provide comprehensive investment management, accounting, depository and arbitrage rebate calculation services for proceeds of tax-exempt bonds to assist Participants in complying with the rebate requirement. As more fully discussed below, it will be the responsibility of each Participant or its bond counsel to determine whether an investment in SNAPSM is appropriate for such Participant.

Yield Restriction and Yield Reduction Payments. The yield on the Shares will fluctuate daily and, consequently, the Shares may not be an appropriate investment if any proceeds of a Participant's bond issue must be invested in investments with a yield that does not exceed the yield of the Participant's bond issue. Therefore, it will be the responsibility of each Participant or its bond counsel to determine the extent to which the proceeds of a Participant's bond issue may be invested at an unrestricted yield and whether an investment in, or the continued investment in, the Shares is appropriate.

The Regulations provide limited circumstances in which the yield restricted proceeds of an issue may be invested at a yield in excess of the otherwise permitted yield as long as certain payments ("Yield Reduction Payments") are made to the Internal Revenue Service. Yield Reduction Payments have the effect of reducing the yield on particular investments. Any Participant that finds that its investments must be yield restricted in order to retain the tax exempt status of the interest on its bonds should consult its bond counsel to determine if the Yield Reduction Payment procedure is available and whether it should be utilized. Ernst & Young has been contracted to perform yield reduction payment calculations for the Program.

Rebate Requirement and Exceptions to Rebate. To comply with the rebate requirement imposed on its bond issues by Section 148(f) of the Internal Revenue Code, each Participant must pay to the United States with respect to each of its bond issues an amount equal to the sum of (i) the excess of (A) the amount earned on all nonpurpose investments acquired with the gross proceeds of such issue over (B) the amount that would have been earned if such nonpurpose investments were invested at a rate equal to the yield on its bond issue, plus (ii) any income attributable to the excess described in clause (i) (the "Rebate Requirement").

The Internal Revenue Code provides five exceptions to the Rebate Requirement described further below. If any of these exceptions is applicable to all or a portion of an issue, the earnings derived from the investment of the portion of the issue eligible for the exception is not subject to the Rebate Requirement (except that all or a portion of the earnings on a reserve fund or on certain debt service funds may be subject to the Rebate Requirement). Each potential Participant should consult with its bond counsel to determine whether any of these exceptions is available and, if so, whether an investment in SNAPSM is appropriate.

Six-Month Exception. The Rebate Requirement does not apply to an issue of bonds if all of the gross proceeds of such issue (which for this purpose do not include gross proceeds held in a reasonably required reserve or replacement fund or a bona fide debt service fund) are expended for the governmental purpose for which the bonds were issued within 6 months of the date of issuance of such issue.

TRANS Exception. Tax and revenue anticipation notes ("TRANS") are not subject to the Rebate Requirement if the cumulative cash flow deficit to be financed by such issue exceeds 90 percent of the proceeds of the issue within 6 months of the date of issue of the notes (the "TRANS Exception"). If the cumulative cash flow deficit actually experienced by the issuer within 6 months following the date of issue of the TRANS does not exceed 90 percent of the proceeds of the issue, the Rebate Requirement may apply. The proceeds of the TRANS, however, may be treated as spent only as actual cash flow deficits arise and the TRANS proceeds are used to offset those deficits. Consequently, any Participant that wishes to invest the proceeds of its TRANS issue in the Shares should consult with its bond counsel as to the appropriate method of accounting for the expenditure of such funds.

In addition to the TRANS Exception, TRANS proceeds will not be subject to rebate if the Six-Month Exception is met. In order to determine if all of the gross proceeds of a TRANS issue have been spent within six months, however, the Allocation and Accounting Rules provide generally that all of the available amounts of the issuer will be treated as spent first, *i.e.*, the proceeds of a TRANS issue will not be treated as spent on any given day unless the issuer has spent all of its other available money. For purposes of the Six-Month Exception (but not the TRANS Exception), an issuer is entitled to retain a reasonable working capital reserve, however, which may not exceed 5 percent of the actual expenditures of the issuer paid from the issuer's current revenues in the preceding fiscal year. The sizing of an issuer's reasonable working capital reserve and its impact on the Six-Month Exception is complicated. Consequently, any Participant that wishes to invest the proceeds of its TRANS issue in the Shares should consult with its bond counsel as to the appropriate method of accounting for the expenditure of such funds as well as the suitability of an investment of TRANS proceeds in the Shares.

Construction Exception. The Rebate Requirement does not apply to a construction issue if all of the available construction proceeds of the bonds, or, as described below, the portion of a bond issue attributable to construction projects, are expended for the governmental purpose for which the issue was issued in accordance with the following timetable: 10 percent or more within the first six months of the date of issue, 45 percent or more within the first year, 75 percent or more within the first 18 months, and 100 percent within 24 months (or 95 percent within two years, and 100 percent within three years, if the five percent difference between the second and third years represents an amount required for a "reasonable retainage"; *e.g.*, to ensure compliance with the terms of a construction contract) (the "Construction Exception"). With respect to the Construction Exception, at least 75 percent of the available construction proceeds of the issue must be reasonably expected to be used for construction expenditures (including reconstruction and rehabilitation) made in connection with property that is owned by either a governmental unit or an organization described in Section 501(c)(3) of the Internal Revenue Code. Depending on certain elections, the term "available construction proceeds" may include either the actual or expected investment return on the investments of the sale proceeds of an issue earned before the close of the relevant period.

In addition, if only a portion of a single issue is to be used for construction expenditures, the issuer may elect to bifurcate the issue into two components so that one component may qualify for the Construction Exception and the other component may qualify for the Six-Month Exception. With respect to the expenditure requirements described above in connection with pooled construction financing for two or more borrowers, the issuer of any pool bonds should consult with its bond counsel as to such expenditure requirements. Furthermore, the Construction Exception provides that an issuer may elect to pay a penalty in

lieu of the Rebate Requirement if the issuer fails to meet the expenditure requirements described above. The foregoing elections must be made on or before the date the bonds are issued and are irrevocable. Consequently, each potential participant should consult with its bond counsel as to the elections to be made in conjunction with the Construction Exception.

18-Month Exception. The Regulations provide an exception to the Rebate Requirement if the gross proceeds of such issue (as described in the Six-Month Exception above) are expended for the governmental purpose for which the issue was issued in accordance with the following timetable: at least 15 percent within 6 months of the date of issue, 60 percent or more within the first 12 months, and 100 percent within 18 months (or at least 95 percent within 18 months, and 100 percent within 30 months, if the 5 percent difference between the 18th month and 30th month represents an amount required for a "reasonable retainage" (as described in the Construction Exception above). In no event may the 18-Month Exception be applied to bonds issued prior to July 1, 1993.

Small Issuer Exception. Bonds of a governmental unit with general taxing powers that are not private activity bonds will not be subject to the Rebate Requirement if 95 percent of the net proceeds of the issue are to be used for local governmental activities of the issuer and the aggregate face amount of all tax exempt bonds (other than private activity bonds) of such issuer issued during the calendar year is reasonably expected not to exceed (A) \$5,000,000 and (B) in certain circumstances with respect to bonds used to finance the construction of public school facilities, \$15,000,000.

Nonpurpose Investments. In addition to the foregoing, each Participant should be aware that in order to compute the Rebate Requirement, it is necessary to determine (1) the nonpurpose investments purchased with the gross proceeds of the Participants' bond issue, and (2) the amount earned on such nonpurpose investments.

Section 148(f) of the Internal Revenue Code defines a nonpurpose investment as any type of investment that is acquired with the gross proceeds of a bond issue and that is not acquired to carry out the governmental purpose of the bond issue. The investment by the Participants of the gross proceeds of their bond issues pursuant to the Program will be nonpurpose investments. The Allocation and Accounting Rules provide that the purchase price of a nonpurpose investment may not be greater than, and the disposition price may not be less than, the fair market value of the nonpurpose investment. The Treasury Board has directed the Investment Manager that all acquisitions or dispositions of investments that are part of the Fund or a Participant's Individual Portfolio must be made only at their fair market price as such term has been defined in the Rebate Regulations.

The net income of the Fund (determined by, among other things, subtracting expenses incurred in acquiring, carrying, selling or redeeming investments, management fees, depository fees, and other service fees (collectively, "Transaction Costs") from gross income) will be determined daily and declared as a dividend. The Rebate Regulations provide that for purposes of calculating the amount earned on nonpurpose investments, any receipt or payment with respect to a nonpurpose investment allocated to an issue must be included. This includes any amount actually or constructively received with respect to the investment, the fair market value of any investment on the date that it ceases to be allocated to the gross proceeds of an Issue, and the fair market value (or the present value in certain circumstances) of all nonpurpose investments on the rebate calculation date. In general, receipts are not reduced by selling commissions, administrative expenses, or similar expenses and the purchase price of the nonpurpose investments is not increased by brokerage commissions, administrative expenses or similar expenses. The Allocation and Accounting Rules provide, however, that reasonable administrative costs incurred by a publicly offered regulated investment company, such as the Fund, may be taken into account in determining the cost of investments and the

income from such investments. Administrative costs include costs paid by or on behalf of an issuer for brokerage or selling commissions, legal and accounting fees, investment advisory fees, recordkeeping, safekeeping, custody, and similar costs and expenses of a fund.

Such costs are not reasonable unless they are comparable to administrative costs that would be charged for the same investment or reasonable comparable investment if acquired with a source of funds other than gross proceeds of tax exempt bonds. The Transaction Costs of the Fund are less than or equal to the administrative costs of comparable investments.

SNAPSM CONTRACT

The Program was established pursuant to a contract (the "Contract") dated January 16, 1989, as amended, entered into by the Treasury Board of the Commonwealth of Virginia and the then Investment Manager. An Issuer becomes a Participant and a party to the Contract by approving the Contract and depositing bond proceeds in the Fund or in an Individual Portfolio.

Each Participant receives a copy of the Contract; all general descriptions of its terms contained in this Information Statement are subject to the specific language of the Contract itself. The Contract may be amended by the Treasury Board and the Investment Manager if they deem it necessary to conform it to the requirements of applicable laws or regulations, but the Treasury Board shall not be liable for failing to do so. The Treasury Board and the Investment Manager may also amend the Contract in other regards. The Contract was most recently amended, effective December 1, 2002, to reflect, among other provisions, the fee of the Treasury Board. See "Expenses of the Program" The form of the Contract is available online on the SNAPSM Program web page maintained by the Investment Manager at <http://www.vasnap.com>.

The Treasury Board shall endeavor to cause the Investment Manager to provide notice to Participants prior to the effective date of any amendment to the Contract, but the Treasury Board shall bear no liability to any Participant for failure to provide such advance notice.

PROGRAM LIABILITY

Under terms of the Contract, no Participant shall be subject to any liability whatsoever to any person in connection with Program property or the acts, obligations or affairs of the Fund. No officer, employee or agent of any Participant shall be subject to any personal liability whatsoever to any person in connection with Program property or the affairs of the Program, save only that arising from his bad faith, willful misfeasance, gross negligence or reckless disregard of his duty to such person; and all such persons shall look solely to the Program property for satisfaction of claims of any nature arising in connection with the affairs of the Program.

Neither the Treasury Board nor the State Treasurer, and no officer, employee or agent of the Treasury Board or the State Treasurer, shall be liable personally, or otherwise, to the Program, its Participants, or to any officer, employee, or agent thereof for any action or failure to act except for its or his own bad faith, willful misfeasance, gross negligence or reckless disregard of its or his duties.

The Participant is solely responsible for its rebate obligation to the Federal Government. Neither the Program nor any of its employees or agents, including without limitation the Investment Manager, is responsible for any rebate obligation of the Participant, including without limitation an investigation of the Participant's records, other than investment records related to the Program, or an investigation of other circumstances surrounding any particular bond issue.

ATTACHMENT A-1

MODEL ORDINANCE/RESOLUTION

RESOLUTION NO.

A RESOLUTION AUTHORIZING THE [TREASURER] OF THE [COUNTY] OF [____], VIRGINIA TO INVEST BOND PROCEEDS AND RELATED FUNDS IN THE STATE NON-ARBITRAGE PROGRAM.

BE IT RESOLVED by the [Board of Supervisors] of the [County] (the "Issuer") of [____], Virginia, as follows:

1. The [Board of Supervisors] hereby finds and determines that (a) the [Board of Supervisors] has received and reviewed (i) the Information Statement dated December 1, 2002 describing the State Non-Arbitrage Program of the Commonwealth of Virginia ("SNAPSM"), and (ii) the Contract respecting the State Non-Arbitrage Program; and (b) the [Issuer] has been afforded the opportunity to discuss SNAPSM with the Investment Manager and Special Counsel to SNAPSM, and the [Board of Supervisors] has determined that it is in the best interests of the [Issuer] to authorize the [Treasurer] of the [Issuer] to participate in SNAPSM.

2. The Contract is hereby approved.

3. The [Board of Supervisors] acknowledges that its decision to authorize the participation in SNAPSM is based solely on the information set forth in the Information Statement and in the Contract, and the [Board of Supervisors] hereby acknowledges that the Treasury Board of the Commonwealth of Virginia is not, and shall not be, in any way liable to the [Issuer] in connection with SNAPSM, except as otherwise provided in the Contract.

4. This resolution shall take effect immediately upon its adoption.

[A certified copy of this resolution must accompany the Program Registration Form submitted to the Investment Manager. Alternatively, a Participant may include the text of the foregoing resolution in its resolution authorizing or providing for the issuance of its Bonds and furnish a certified copy of such Bond Resolution with the Program Registration Form to the Investment Manager. Bond Counsel should make appropriate provision in the governing bond instrument to take account of the fact that Wachovia Bank, N.A. holds all cash in its capacity as Depository of the Fund and Individual Portfolios and State Street Bank holds all securities in its capacity as the Custodian of the Fund and Individual Portfolios. For model language and assistance call the Investment Manager.]

ATTACHMENT A-2

CERTIFICATE OF AUTHORIZATION

A CERTIFICATE AUTHORIZING THE [TREASURER] OF THE COUNTY OF _____, VIRGINIA TO EXECUTE A CONTRACT PROVIDING FOR THE INVESTMENT OF BOND PROCEEDS AND RELATED FUNDS IN THE STATE NON-ARBITRAGE PROGRAM.

I HEREBY CERTIFY as follows:

1. I have received and reviewed (i) the Information Statement dated December 1, 2002 describing the State Non-Arbitrage Program of the Commonwealth of Virginia ("SNAPSM"); and (ii) the Contract respecting the State Non-Arbitrage Program, and I have been afforded the opportunity to discuss SNAPSM with the Investment Manager and Special Counsel to SNAPSM.

2. I understand that the Government Non-Arbitrage Investment Act, §§2.2-4700 through 2.2-4705 of the Code of Virginia, authorizes "issuers" to enter into contracts with the Treasury Board.

3. As [County Manager] and the [chief executive/administrative] officer of [County] (the "Issuer"), I certify that I represent the Issuer and have the authority under the [Charter, Ordinance, Bylaws] of [Issuer] to approve the Contract and authorize the [Treasurer] to enter into the Contract on behalf of the [Issuer] and it is not necessary for the [Board of Supervisors] or any other person or body to approve the Contract or to authorize execution of the Contract.

4. I have determined that it is in the best interest of the [Issuer] to authorize the [Treasurer] of the [Issuer] to participate in SNAPSM including investments credited to the Fund and Individual Portfolios.

5. The Contract is hereby approved.

6. I acknowledge that my decision to authorize the participation in SNAPSM with respect to the Issuer's bonds is based solely on the information set forth in the Information Statement and in the Contract, and I hereby acknowledge that the Treasury Board of the Commonwealth of Virginia is not, and shall not be in any way liable to the [Issuer] in connection with SNAPSM, except as otherwise provided in the Contract.

WITNESS my hand this ____ day of _____, 200__

[Either this certificate and opinion of counsel, in the form attached, or a certified copy of the resolution appearing as Attachment A-1 must accompany the Program Registration Form submitted to the Investment Manager.]

OPINION OF COUNSEL

Evergreen Investment Management Company LLC

and

Treasury Board of Virginia

Dear Sirs:

I am the duly appointed [County] Attorney for [County] (the "Issuer"). As such counsel, I have examined the following documents:

1. [List ordinances, bylaws and charters and any other relevant local material and attach a copy of pertinent sections.]
2. The Government Non-Arbitrage Investment Act, §§2.2-4700 through 2.2-4705 of the Code of Virginia (the Act), and specifically the provisions authorizing the "issuers" to enter into contracts with the Treasury Board.
3. The Information Statement dated December 1, 2002 describing the State Non-Arbitrage Program of the Commonwealth of Virginia ("SNAPSM") and the Contract respecting the State Non-Arbitrage Program.

Based on the above, it is my opinion (i) that the [County Manager] of the Issuer has the authority under the [Charter, Bylaws, Ordinance] of [the Issuer] and the relevant section of the Act to approve the Contract and authorize execution of the Contract on behalf of the Issuer and (ii) that it is not necessary for the governing body of the Issuer or any other person or body to approve or authorize execution of the Contract or to approve or authorize participation in SNAPSM including investments in the Fund.

Very truly yours,

ATTACHMENT B
PROGRAM REGISTRATION FORM
STATE NON-ARBITRAGE PROGRAM

Evergreen Investment Management Company LLC
901 E. Byrd Street
Richmond, VA 23219

The undersigned, duly authorized [Treasurer], or authorized deputy thereof, of the [County] of _____, Virginia, (the "Issuer") hereby requests that the Investment Manager of the Commonwealth of Virginia's State Non-Arbitrage Program establish an account or accounts for the investment and reinvestment of the bond proceeds and related funds of the [Issuer], Virginia to be held, invested and disbursed all in accordance with the Information Statement dated December 1, 2002, describing SNAPSM and the Contract respecting the State Non-Arbitrage Program, each as may be supplemented and amended.

Upon your acceptance of this application and the receipt by the SNAPSM Depository--Wachovia Bank, N.A., Richmond, Virginia--of all or portion of the proceeds of bonds, the Issuer will become a Party to the Contract and a Participant in SNAPSM.

I acknowledge, for and on behalf of the Issuer that the [Board of Supervisors] of the Issuer has duly adopted a resolution embodying the text of the Model Resolution appearing as Attachment A-1 to the Information Statement or the appropriate official has executed a Certificate of Authorization accompanied by an Opinion of Counsel as these appear as Attachment A-2 to the Information Statement.

I further acknowledge that I have been afforded the opportunity to discuss SNAPSM, the Information Statement and the Contract with the Investment Manager and Special Counsel to SNAPSM and that I have received such advice legal, and otherwise, as I have deemed necessary, to make this application and to comprehend fully the information set forth in the Information Statement and the Contract.

Very truly yours,

TITLE: [TREASURER] OF THE
[COUNTY] _____, VIRGINIA

ATTACHMENT C

ACCOUNT REGISTRATION FORM

Please complete parts I through IV of the SNAPSM Account Registration Form, Schedule A, and the Signature Authorization Card, and return all pages to the Investment Manager. If you have any questions concerning any part of the SNAPSM Account Registration, please call the toll-free number 800-570-SNAP for assistance.

PART I. REGISTRATION

NAME OF ISSUER: _____

MAILING ADDRESS: _____

_____, VA ZIP: _____

TYPE OF ISSUER: _____

(STATE, COUNTY, CITY, TOWN, AGENCY, INSTITUTION, AUTHORITY)

TAX ID NUMBER: _____

ACCOUNT TITLE: _____

PRIMARY CONTACT NAME: _____

TITLE: _____

TELEPHONE NUMBER: _____

FAX NUMBER: _____

SECONDARY CONTACT NAME: _____

TITLE: _____

TELEPHONE NUMBER: _____

SEND ACCOUNT STATEMENT TO:

SEND DUPLICATE STATEMENTS TO:

ACCOUNT REGISTRATION FORM

PART II. WITHDRAWAL INSTRUCTIONS (Choose withdrawal by wire, or check, or both)

() By Wire:

The Program agrees to honor all properly authorized wire transfer requests on the Program Business Day immediately following the date received.

At any time, you may change (a) wiring instructions, (b) authorized representatives, and (c) other information. However, you agree that we may rely on the information previously supplied by you until we receive authorized written notification of any change on forms prescribed by the Program. Changes will become effective on the Program Business Day following receipt of written notice by the Investment Manager.

The Investment Manager is hereby authorized to act upon instructions received by telephone by the authorized representative(s) listed below to have amounts withdrawn from this account with the Program and wired only to the Federal Reserve member bank account designated below, unless changed by written instructions to the Investment Manager. It is understood that the Program will be under no obligation to honor, in whole or in part, any transfer request which (a) exceeds available funds with the Program, (b) is provided by any person other than the authorized persons designated below, or (c) is not in accordance with any other requirements stated herein.

BANK NAME: _____

ABA NUMBER: _____

ACCOUNT NAME: _____

ACCOUNT NUMBER: _____

BANK ADDRESS: _____

() By Check:

Complete the Wachovia Bank, N.A. Signature Authorization Card, and order checks by choosing either check package below:

() Small check book (50 checks) () Large check book (300 checks)

It is further agreed that the Depository may act only upon proper instructions received from the Investment Manager. The Investment Manager shall have full authority to instruct the Depository to honor/dishonor any request for payment, including but not limited to, checks and other items. In all cases, Depository shall be governed by the terms and conditions of the Contract and the Depository Agreement.

Prior notification should be given to the Program by calling the Investment Manager at the toll-free number for a check or checks totaling more than \$500,000.

ACCOUNT REGISTRATION FORM

PART III. CERTIFICATION AND SIGNATURES

The undersigned certify that (check one):

- ☐ the Resolution/Certificate of Authorization enclosed herewith, authorized the Issuer to become a Participant in the Virginia State Non-Arbitrage Program, is in effect.
- ☐ the Resolution/Certificate of Authorization has been previously submitted and is in effect.

The undersigned certify that the amounts shown on Schedule A - Deposit Information represent the total original proceeds of the related bonds.

The undersigned affirm that Issuer has received and read the Program's Information Statement, and agrees to be bound by it terms.

Name of Issuer: _____ (SEAL)

Treasurer/Finance Official: _____ Date _____

Secretary/Clerk: _____ Date _____

ACCOUNT REGISTRATION FORM

PART IV. AUTHORIZED REPRESENTATIVES

The undersigned certify that any ____ (number) of the persons signing below as authorized representatives have the full authority and capacity to open an account with the Program, and to invest funds in and withdraw funds from the Program. The undersigned agree that the certifications, instructions, and authorizations contained in this Account Registration Form will remain in effect until the Investment Manager receives written notice of change.

AUTHORIZED REPRESENTATIVES

[Name of Trustee or other Fiduciary, if applicable:]

Print Name _____ Signature _____ Title _____

Print Name _____ Signature _____ Title _____

Print Name _____ Signature _____ Title _____

Print Name _____ Signature _____ Title _____

Additional signatures, if any, may be added on a separate sheet.

Authorized Signer of _____

(Insert Name of Issuer or Trustee Bank, if applicable)

Print Name _____ Signature _____ Title _____

ATTEST: _____

ACCOUNT REGISTRATION FORM

THE INFORMATION PROVIDED ON THIS ACCOUNT REGISTRATION FORM WILL BE USED BY THE INVESTMENT MANAGER TO PREPARE REPORTS AS TO THE EXPENDITURE OF BOND PROCEEDS FOR THE PARTICIPANT AS MORE FULLY DESCRIBED UNDER "REBATE EXCEPTION SERVICES". THE ABILITY OF THE INVESTMENT MANAGER TO PERFORM ITS REBATE EXCEPTION SERVICES ACCURATELY WILL DEPEND ON THE ACCURACY OF THE INFORMATION PROVIDED ON THIS FORM. PARTICIPANTS SHOULD CONSULT WITH THEIR BOND COUNSEL AS TO THE CORRECT RESPONSES IN COMPLETING THIS FORM.

SCHEDULE A - DEPOSIT INFORMATION

TYPE OF BOND (CHOOSE ONE): () GENERAL OBLIGATION () REVENUE

NAME AND FULL TITLE OF BOND ISSUE: _____

DATE BOND ISSUE SETTLED: _____

TITLE/PURPOSE OF BOND ISSUE: _____

1.	Original proceeds of the bonds	
	Par Amount of Bonds:	\$ _____
	Original Issue Premium, if any:	\$ _____
	Original Issue Discount, if any:	\$(_____)
	Accrued Interest, if any:	\$ _____
	Underwriter's Discount, if any:	\$(_____)

Total	\$ _____
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2.	Total amount of bond proceeds available for deposit:	\$ _____
	Of this amount, how much will be used	
	(a) to fund a debt service reserve fund?	\$ _____
	(b) to retire outstanding debt?	\$ _____
	(c) to pay costs of issuance?	\$ _____

Difference between 1. and 2., if any	\$ _____
Difference results from	

(a) reimbursement on closing date for prior advances:	YES <input type="checkbox"/> NO <input type="checkbox"/>
If yes, indicate amount \$ _____	

(b) payment on closing date of accumulated invoices then due and payable:	YES <input type="checkbox"/> NO <input type="checkbox"/>
If yes, indicate amount \$ _____	

(c) other	YES <input type="checkbox"/> NO <input type="checkbox"/>
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3. Names and amounts of other related bond funds, (e.g. debt service or bond fund, sinking fund, debt service reserve fund, revenue fund, COI fund, or other funds that are or may be deemed to be proceeds of the bond issue), if any:

4. Bond yield calculated pursuant to the Rebate Regulations: _____ %

5. Please choose one of following exceptions as they apply to your issue:

_____ 6- month exception to rebate

_____ 18-month exception to rebate

_____ 24- month exception to rebate

If the 24-month exception to rebate was chosen:

A. Has the Participant elected to pay a penalty
in lieu of rebate or to pay rebate if the spenddown
thresholds are not met?

PENALTY ☐

REBATE ☐

B. Has the issue been bifurcated?
If yes, amount allocated to:

YES ☐ NO ☐

1) "Construction Issue" \$ _____

2) Acquisition \$ _____

3) Refunding of prior debt \$ _____

(Total of 1,2, and 3 should be equal to the original proceeds of the Bonds plus the underwriter's discount).

If no, what is the amount of your "Available Construction Proceeds"? \$ _____

C. Has the Participant elected to use actual fact or reasonable
expectations for purposes of the Construction Exception?

If reasonable expectations, provide an estimate of the expected
investment earnings on the "Available Construction Proceeds"
of the issue: \$ _____

D. Has the Participant elected to exclude the earnings on its
reasonably required reserve or replacement fund from
"Available Construction Proceeds"?

YES ☐ NO ☐

6. Is the small issuer exception (\$5,000,000) applicable to this issue? YES ☐ NO ☐

7. Deposit made by (choose one):

_____ Check

_____ Wire (please complete information below)

WIRE SENT FROM (BANK NAME, ADDRESS): _____

ABA NUMBER: _____

ACCOUNT NAME: _____

ACCOUNT NUMBER: _____